



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

FEB - 5 2016

Senator Lonnie Laffen
3549 15th Avenue S.
Grand Forks, ND 58201

RE: MUR 6931

Dear Senator Laffen:

On April 17, 2015, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. On December 10, 2015, based upon the information contained in the complaint, and information provided by you, the Commission decided to dismiss the allegations that contributions made by Leo Ledohowski and accepted by you violated 52 U.S.C. § 30121(a). Accordingly, the Commission closed its file in this matter on January 21, 2016.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66,132 (Dec. 14, 2009). The Factual and Legal Analysis, which explains the Commission's findings, is enclosed for your information.

If you have any questions, please contact Ana Pena-Wallace, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,

Daniel A. Petalas
Acting General Counsel

A handwritten signature in black ink, appearing to read "Jeff S. Jordan", is written over the typed name.

BY: Jeff S. Jordan
Assistant General Counsel
Complaints Examination and
Legal Administration

Enclosure
Factual and Legal Analysis

1 **FEDERAL ELECTION COMMISSION**

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3 **FACTUAL AND LEGAL ANALYSIS**

4 **RESPONDENTS:** Senator Lonnie Laffen (ND State Senate) MURs 6931 and 6933
5 Laffen 4 Senate
6

7 **I. INTRODUCTION**

8 This matter was generated by complaints filed with the Federal Election Commission (the
9 "Commission") by Daniel G. Hinnenkamp on April 10, 2015, and C.T. Marhula on April 15,
10 2015, alleging violations of the Federal Election Campaign Act of 1971, as amended (the "Act")
11 by state Senator Lonnie Laffen and Laffen 4 Senate. For the reasons set forth below, the
12 Commission exercised its prosecutorial discretion and dismissed the allegation that the
13 Respondents violated 52 U.S.C. § 30121(a).

14 **II. FACTUAL AND LEGAL ANALYSIS**

15 **A. Factual Background**

16 Based on information obtained from the North Dakota Secretary of State's website, the
17 complaints allege violations of the Act's ban on contributions by foreign nationals. Both
18 complaints allege that Laffen 4 Senate, North Dakota State Senator Lonnie Laffen's state
19 campaign committee, accepted contributions from foreign nationals. They point to contributions
20 made to Senator Laffen's campaign by Leo Ledohowski, who disclosed a Canadian mailing
21 address, and according to one complainant, "is a successful Canadian business person." The
22 contributions at issue were a \$1,000 contribution made on September 12, 2010, and a \$1,945.42
23 contribution made on October 25, 2014.¹ The complaint in MUR 6931 further alleges that

¹ Both complaints identify the October 2014 contribution but the complaint in MUR 6931 adds the September 2010 contribution.

1 Ledohowski made a \$2,500 contribution on July 11, 2012, to Dalrymple for Governor, the
2 campaign committee for Governor Jack Dalrymple of North Dakota.

3 The complaint in MUR 6931 cites a press report stating that Senator Laffen claimed to
4 have checked with the North Dakota Secretary of State on the propriety of “accepting donations
5 from any country” and was told that it was permissible. In his responses, Senator Laffen
6 explains that he checked with the North Dakota Secretary of State regarding the contribution
7 from Ledohowski, who is a friend of his, and “was told that the contribution would be allowed –
8 that no state law prevented it.”² Laffen states that he was not aware that federal law applied.³
9 Furthermore, Laffen notes that both of Ledohowski’s contributions were refunded on April 20,
10 2015.⁴ Ledohowski acknowledges that he was contacted about making campaign contributions,
11 so he inquired whether it was permissible for him as a Canadian citizen to make such
12 contributions and was advised that the contributions were allowed. He has also confirmed that
13 the contributions were refunded.

14 **B. Legal Analysis**

15 Under the Act, it is unlawful for a foreign national, directly or indirectly, to make a
16 contribution or donation of money or other thing of value “in connection with a Federal, State, or
17 local election.”⁵ In addition, no person may solicit, accept, or receive a foreign national

² Laffen Resp. (Apr. 25, 2015) (MURs 6931 and 6933).

³ *Id.*

⁴ *Id.*

⁵ 52 U.S.C. § 30121(a)(1)(A); 11 C.F.R. § 110.20(b).

1 contribution or donation.⁶ A “foreign national” is an individual who is not a citizen of the United
2 States or a national of the United States and who is not lawfully admitted for permanent
3 residence.⁷ If a committee treasurer, based on new evidence not available to the political
4 committee at the time of receipt and deposit, discovers that an illegal contribution, such as one
5 from a foreign national, was accepted, the treasurer shall refund the contribution to the
6 contributor within thirty days of the date on which the illegality is discovered.⁸

7 It appears that the contributions that Senator Laffen’s campaign accepted from
8 Ledohowski violated the prohibition on contributions by foreign nationals under the Act and
9 Commission regulations. Senator Laffen, however, indicates that in accepting the contributions
10 he relied on guidance provided by a state government office that was ultimately incorrect.
11 Moreover, his committee promptly refunded the impermissible contributions from Ledohowski,
12 totaling \$4,445.42 on April 20, 2015, shortly after being notified of the complaints in this matter.

13 Based on the available information, it appears that the violations may have been
14 inadvertent in nature. In light of the fact that the illegal contributions were refunded within the
15 thirty-day time period required by Commission regulations, further enforcement resources are
16 not warranted in this matter. Accordingly, the Commission has chosen to exercise its
17 prosecutorial discretion to dismiss the allegations that Senator Lonnie Laffen and Laffen 4
18 Senate violated 52 U.S.C. § 30121(a).⁹

⁶ 52 U.S.C. § 30121(a)(2). The Commission’s regulations employ a “knowingly” standard here. 11 C.F.R. § 110.20(g). A person knowingly accepts a prohibited foreign national contribution or donation if that person has actual knowledge that funds originated from a foreign national, is aware of facts that would lead a reasonable person to conclude that there is a substantial probability that the funds originated from a foreign national, or is aware of facts that would lead a reasonable person to inquire whether the funds originated from a foreign national but failed to conduct a reasonable inquiry. *Id.* § 110.20(a)(4).

⁷ 52 U.S.C. § 30121(b)(2); 11 C.F.R. § 110.20(a)(3)(ii).

⁸ 11 C.F.R. § 103.3(b)(2).

⁹ See *Heckler v. Chaney*, 470 U.S. 821 (1985).